



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

November 12, 1997

**H.J. Res. 92
Granting the consent of Congress to the Alabama-Coosa-Tallapoosa
River Basin Compact**

As cleared by the Congress on November 7, 1997

H.J. Res. 92 would grant congressional consent to the Alabama-Coosa-Tallapoosa River Basin (ACT Basin) Compact. The compact would establish the ACT Basin Commission, which would determine an allocation formula for apportioning the surface waters of the ACT basin between the states of Alabama and Georgia. CBO estimates that the compact would increase direct spending, beginning in 1999, by reducing offsetting receipts from recreation fees and federal hydropower operations, but any such changes would likely be insignificant.

A new water allocation plan could reduce offsetting receipts from recreation areas by directly or indirectly changing water levels at lakes and other recreation areas so that their use is reduced. CBO estimates that any such reduction would be less than \$500,000 annually, beginning in 1999.

A new plan could affect the amount of power produced and sold by limiting the amount of water flowing through federal power-generating facilities. However, CBO estimates that any impact on offsetting receipts from changes in hydropower production is likely to be insignificant because federal law requires that, to the extent market conditions permit, hydropower operations cover expenses. In the case of limits on power production, the price of power could be increased to offset any reduction in the quantity of power produced and sold.

The CBO staff contact for this estimate is Gary Brown. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.